ALBERTA'S FOREIGN OFFICES

A Study of Provincial Representation Abroad

by

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During the 1960s and the 1970s Canada's federal government witnessed the development of a new phenomenon on the international stage: provincial representation abroad. Quebec, in the throes of its Quiet Revolution, spearheaded this movement of establishing provincial offices in foreign countries. Alberta, likewise finding itself outside the mainstream of Canadian political and economic life, was quick to follow suit. This resulted in the setting up of eight foreign offices representing Quebec and six representing Alberta. The provinces of British Columbia, Saskatchewan, and Ontario have also set up offices abroad. Unlike Quebec, who established its foreign offices in order to effect a symbolic and sometimes practical autonomy from the federal government, Alberta's offices were organized largely in response to commercial aspirations. The importance of foreign trade to Canada's economy is well known. At the provincial level this importance has no stronger manifestation than in Alberta.

Historically, Alberta's politicians and people have emphasized the fact of western alienation. In particular, they have keyed on economic alienation brought about by a hinterland mentality foisted upon the west by

by resource grabbing central Canadians. Hence it is only natural that Alberta should want to exert as much control over its economy as possible. This includes, as has become increasingly clear, the ever expanding international trade market.

The importance of foreign trade to Alberta's economy cannot be underestimated. Fully 25% of the province's gross domestic product comes from exports.[1] Given the national population growth rate and domestic consumption levels this figure is not likely to diminish. Hence the need for a vigorous exporting program that has, integral to it, Alberta's foreign offices.

Alberta's six offices abroad are located in London, Hong Kong, New York, Tokyo, Los Angeles and Houston. The first four offices are headed by an Agent-General. They are operated by the department of Federal and Intergovernmental Affairs. The latter two offices are the responsibility of Alberta Economic Development and are headed by directors. Alberta House in London is the oldest of the province's offices abroad and also the largest.

As one quickly realizes Alberta's foreign offices are involved in a plethora of activities beyond just those of simply an economic nature. For instance, culture, education, science and technology, intergovernmental relations and information gathering[2] are all activities engaged in by the offices. However, economic concerns are preeminent.

Alberta's yearly exports are currently in excess of $12 billion and as noted above comprise approximately one quarter of the province's gross domestic product.[3] The range and variety of these exports is enormous. For instance, Algeria has been on the receiving end of a shipment of generator sets and some Peruvians are dialling or punching numbers on Alberta telephones. It is of course resources, both renewable and non-renewable, that form the core of the province's economy. Oil and gas and agriculture are the staples and jointly are responsible for over seventy per cent of Alberta's exports.

Not surprisingly the United States is Alberta's largest export market taking seventy-five per cent of the yearly total.[4] Natural Gas is the single biggest export commodity within the group of products sent south. With the importance of the American market it is no wonder that the government of Alberta has deemed it necessary to establish three offices in the U.S. Obviously trade of the magnitude engaged in by Alberta and the U.S. demands more attention than the Canadian government, charged with the responsibility of ten provinces and two territories, can give.

Alberta's Houston office opened in 1982. Located in the heart of America's energy industry it serves as a valuable information sponge to absorb the latest developments sure to impact upon Alberta. In addition, the office has been instrumental in facilitating the sale of millions of dollars worth of Alberta resource extraction equipment. Moreover, the Houston office has also made it easy for Alberta companies to make contact with Latin American and Southeast Asian buyers and sellers who maintain offices in Texas.[5]

The Los Angeles based office has a mandate different from that of its counterpart in Houston. While the latter is almost exclusively concerned with the energy industry the Los Angeles office has broader involvements. Promoting joint venture and licensing arrangements between Alberta and U.S. companies as well as organizing trade shows, conferences and seminars are functions integral to the province's operation in California.[6] Alaska, Washington and Oregon are responsible for twenty-five per cent[7] of Alberta's American trade and the Los Angeles office, with its proximity to these and other western states, is ideally located.

The New York office completes the triumvirate. It opened three years ago and was charged with, among other things, the monitoring of American legislation "affecting the production, transmission, marketing and importation of natural gas."[8] Alberta's political interests take on a higher priority in the New York office as compared to the other two offices. It acts as a listening post for political and diplomatic developments in Washington. In fact, the Alberta government originally had hoped to place the office in the U.S. capital but federal objections scuttled

the plan. Ottawa believed, and rightly so, that Canada's ability to speak with one voice would be compromised by the presence of a provincial "embassy".

Alberta House in London is the most embassy-like of the province's six foreign offices. However, neither it nor any of the other offices hold diplomatic status. Nonetheless, all staff are part of the general consular set that pervades each of the six cities.

Nationally, the United Kingdom's position as Canada's preeminent trading partner was usurped by the U.S. in 1926. At present, approximately five per cent of Canada's exports are destined for the U.K. This pales in comparison to the almost eighty per cent[8] that goes to the U.S. Alberta's portion of the five per cent totals about $100 million.

Although the dollar figure in Alberta - U.K. exports is relatively insignificant the importance of the London office extends beyond simply a consideration of bilateral trade. The overriding importance of the office at #1 Mount Street lies in its accessibility to continental Europe. As a member of the European Economic Community the U.K. is privy to all economic developments in Europe. As a result Alberta, through its London office, is able to maintain an ear and eye on those same developments. Although the EEC's Common Agricultural Policy has proved to be an immense obstacle to Alberta's farm exports, having an office close to the scene brings, at the very least, an immediacy to the situation.

The London office also fulfills a broader economic role in securing natural gas and petroleum contracts for the Alberta industry. As well the office caters to specialty products such as securing the sale of Alberta beef to London markets and restaurants.[10]

In accordance with the rise in importance of the Pacific Rim and the Newly Industrialized Countries (NICs) contained therein the Alberta government has established two offices in the region. Hong Kong is "Alberta's principal office in Asia".[11] After the United States Pacific/Asia is Alberta's largest foreign export market and continues to expand every year.

The Hong Kong office has traditionally done much to coordinate all of Alberta's activities in the region and has been instrumental in promoting the province as a place for entrepreneurial investment. It also did much of the work that led to the twinning of Alberta with Heilongjiang province in the Peoples Republic of China.

The British mandate in Hong Kong expires in 1997 and it will be interesting to see what changes, if any, are imposed upon Alberta's office by China. Lately, the outside world has been able to view with curiosity the fusing of capitalism and communism in the land of one billion consumers. Certainly such a fusing bodes well for the future of a foreign office that represents a provincial disciple of the former faith.

Tokyo is the home of Alberta's other office in the region. It has just recently been promoted to the level of the London, New York and Hong Kong offices. This is representative of Japan's singular importance as a trading partner with the province. Alberta's exports to Japan are varied with the main commodities being coal and canola. The total value of all exports to Japan is in the neighbourhood of $1 billion.[12]

The Tokyo office is also responsible for representing Alberta's interests in the Republic of Korea. Alberta is twinned with Gangweon province in Korea and with the province of Hokkaido in Japan.[13]

Thus far I have restricted my comments to those describing the economic role of Alberta's foreign offices. As was alluded to earlier a number of other functions are engaged in and these are stressed to a greater or lesser degree depending upon the office. For example, the London, Tokyo and Hong Kong offices are more concerned with cultural promotions and exchanges than their American counterparts are. Often the offices act as hosts for exhibitions put on by Alberta artists. However, all offices are concerned with Tourism. Obviously tourists from the U.S. make-up the largest component of foreign visitors to Alberta. Nevertheless, the Japanese tourist trade is brisk and this is seen especially in the Banff - Jasper area of the province. Europeans form a substantial bloc as well with over 130,000 visiting

Alberta during 1983-1984.[14] The adoption of the tourism tenet of Pierre Trudeau's "Third Option" seems to have paid off.

With its resource based economy Alberta has long had an international outlook. Under the former premiership of Peter Lougheed this view was heightened. During his tenure all of Alberta's offices abroad, save London, were established. The federal government initially viewed such moves by Alberta and other provinces, particularly Quebec, with some trepidation. There was a belief in Ottawa that the provinces were attempting to usurp the traditional role of the federal government as the sole arbiter for Canada on the world stage. This view was fuelled by events such as Charles de Gaulle's "vive le Quebec libre" charge in 1967. However, Quebec's nationalist aspirations were not mirrored in Alberta.

The Alberta government believed that the importance of international trade to the provincial economy merited increased attention and hence decided to step into the breech. The federal government, while somewhat wary, was not against the move and in fact is now pleased that some of the provincial burden has been lifted from its shoulders. The only visible difference involving this province and the federal government occurred over the placing of Alberta's office in New York rather than in Washington.

Measuring effectiveness is not an easy task. I think the most important result of Alberta's spate of foreign offices is that they telescope the host country's attention on the province. By necessity the Canadian Embassy represents broad national concerns whereas Alberta has no greater mandate than representing that which lies withing its narrow borders. Consequently, the province can highlight its uniqueness as a trading partner and emphasize those nuances which make it attractive.

Although some would argue against the need for both federal and provincial representation claiming a duplication of services I would submit that Alberta's six foreign offices are vital to the province and

and by extension to Canada. Their collective mandate is narrow and therefore manageable. There is no need for a large diplomatic infrastructure. They are small garrisons deplaying economic shock troops for Alberta.

The provincial office abroad is a permanent fixture in Canada's international thrust. It has proven its worth. It has also proven not to be an adversary of the ambassadorial style of official Ottawa and this has been one of the major reasons for its success.

I fully expect the new Alberta government under Premier Donald Getty to continue to emphasize the importance of the province's six foreign offices. I also expect the establishment of more offices. Alberta's exports to the Soviet Union currently top $500 million per year.[15] It would appear logical to open an office in the U.S.S.R. based solely on the figures. With an office in Moscow the countries of eastern Europe may become more accessible to Alberta's products as well. I realize, however, that the vagaries of east-west relations, and how they impact bilaterally on Canada and the U.S.S.R., may preclude such a development.

In any event Alberta has staked out an international position that puts it at the forefront of Canada's provinces. It has benefitted and will continue to do so because of such a move.

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NOTES

[1] *Wayne Clifford, "The Western Provinces of Canada: The Importance and Orientation of Their International Relations." A presentation made to the 13th Quebec Conference on International Relations, Laval, 1981.p.1.*

[2] *Federal and Intergovernmental Affairs document: "Alberta's International Objectives and the Role of Foreign Offices in Meeting Them." 1984.p.32.*

[3] *"Alberta Trade, Exports 1983." p.1.*

[4] *Ibid., p.10.*

[5] *F.I.G.A. document. p.38.*

[6] *Ibid.*

[7] *"Alberta Trade, Exports 1983." p.14.*

[8] *F.I.G.A. document. p.37.*

[9] *Lorelei Campbell, "Free Trade." Edmonton: Legislative Research Services, 1986.*

[10] *F.I.G.A. document. p.35*

[11] *Ibid.*

[12] *"Alberta Trade, Country Profiles 1983." p.2.*

[13] *Ibid., p.36.*

[14] *Ibid., p.35.*

[15] *Ibid., p.120.*

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